



# State of Utah

## DEPARTMENT OF COMMERCE Committee of Consumer Services

Minutes of the Meeting of the Committee of Consumer Services held  
in the Heber M Wells Building, Salt Lake City, 2 August 2005

Dee Jay Hammon called the meeting to order at 9:34am in the 1<sup>st</sup> floor North Conference Room.

### Members of the Committee in Attendance:

Franz Amussen  
Kelly Casaday

Ryan Atkinson  
Dee Jay Hammon

Kent Bateman  
Betsy Wolf

### Staff in Attendance:

Dan Gimble  
Reed Warnick  
Kevin Hale

Paul Proctor  
Eric Orton  
Oliwia Smith

Cheryl Murray  
Chris Keyser

### Members of the Public in Attendance:

Dave Anderton  
Mark Muench

David Taylor

Jeff Larsen

## 1. Administrative Matter

### 1.1. Welcome and Apologies for Absence

Dee Jay Hammon welcomed all those present.

### 1.2. Dates and Location of Next Meetings

Wednesday, September 7, 2005 Heber M. Well Building, 1<sup>st</sup> floor, North Conference Room.

### 1.3 Minutes of Previous Meetings

Dee Jay asked to have copies of previous minutes sent to the Committee Members for final review.

## 2. Electricity

### 2.1 Presentation-MidAmerican Energy Company

Senior Vice President Mark Moench gave a presentation on MidAmerican Energy Holding Company's history, stockholders, and corporate brochure.

## 2.2 Utah PSC's Integrated Resource Program (IRP) Order

IRP is PacifiCorp's plan to provide resources to meet the growing demand for electricity over a 20-year planning horizon. PacifiCorp's most recent IRP was submitted 20<sup>th</sup> Jan. 2005. On the 21<sup>st</sup> of July the Commission Order acknowledged PacifiCorp's IRP. In general it met the standards and guidelines; however, the action plan was not acknowledged. The Commission said it would be evaluated in the RFP, 2009 docket. The Committee will file comments in regards to the action plan in the RFP, 2009 docket, to procure flexible resources.

## 2.3 RFP 2009 Schedule

Committee staff are reviewing PacifiCorp's draft RFP for resources to be acquired for 2009. In order for potential bidders to provide the necessary information for the Company to select the best resource, it is essential that the RFP contain adequate information on which the bids can be formulated. A schedule has been determined to enable the Company to issue the RFP, receive and evaluate bids, and select a resource(s) to be in service by 2009.

## 2.4 Schedule 38 Avoided Cost Filing

The Avoided Cost Filing is establishing an Integrated Resource Program (IRP) based avoided cost methodology for Qualified Facilities (QF) projects larger than 3-megawatts. The Committee position is and has been that the Differential Revenue Requirement (DRR) approach is reasonable and should be adopted. The Committee feels that PacifiCorp used a variation of the DRR and it did not agree with their result. The Committee agrees that QF's over 100-megawatt should be required to participate in the company's bid process in order to receive a capacity payment. The larger QF's can have bigger impact on the system planning.

## 2.5 Spring Canyon Qualified Facility Contract

A contract, under a stipulation that set a price for a QF Facility maximum remaining megawatt of 100 with a completion and online date of June of 2007 was awarded to Spring Canyon. One issue being negotiated is that Spring Canyon is requesting that an additional 160-megawatt of QF capacity be included in the 100-megawatt contract. All Parties have serious questions in regards to the extra 160-megawatt Spring Canyon is requesting. The Contract is not complete as of now; negotiations are still ongoing.

## 2.6 Electric Lifeline Program (HELP)

Commission granted the parties motion to dismiss and to preclude Mr. Mecham from pursuing his issues and opposition, on the basis that the Commission has already addressed his issues. The Commission denied Mr. Mecham's attempt to stop any renegotiating of the HELP program. The Commission has granted all of the Committee's motions filed thus far.

### 3. Gas

#### 3.1 Natural Gas Prices

Natural gas prices are up and are likely to stay up. FERC officials say the reasons for ongoing high prices are somewhat a mystery in the gas industry; also that this increase is not a spike. A handout was given out with more details.

### 4. Telecommunications

#### 4.1 UBTA-UBET's Universal Service Fund Application

Committee staff have been conducting discovery and evaluating the Company's testimony. The UBTA-UBET's auditing has been done and continues to be done by the Division of Public Utilities. Further information will come forth at a later date, as the Division completes the auditing process.

#### 4.2 Carbon/Emery

The discovery process has begun. The Company and Division of Public Utilities have met and set up a reasonable schedule. Applicant is due to file direct testimony by Sept 2<sup>nd</sup> 2005. Division and Committee will be responding to the applicant testimony on November 10<sup>th</sup> 2005.

#### 4.3 Implementation of HB 145

In the 2005 legislative session, of HB 145 expanded the list of items eligible for funding the hearing impaired. Lobbyists worked on expansion of these funds to train certified sign language interpreters. These interpreters would work at the call center and relay video conversations to the deaf and hard of hearing. The Committee has provided short testimony suggesting a cap going forward on how much money can be spent on training certified sign language interpreters and contracts alike.

### 5. Legislative

#### 5.1 Visits with Legislators

Staff and Committee members have been visiting members of the Public Utilities and Technology Interim Committee. Visits have been going well. Ten legislators have been visited since the last Committee meeting and more appointments are scheduled. Legislators shared their concerns and wanted to learn more about the Committee's role. CCS brochures are being handed out to legislators. Brochures will be revised and printed as suggested by Committee members.

## 6. Closed Meeting – To Discuss Pending or Reasonably Imminent Litigation

Franz Amussen proposed that the Committee go into executive session to discuss pending or reasonably imminent litigation. Ryan Atkinson seconded the motion and it passed unanimously.

Kent Bateman proposed that the Committee return to open session. Ryan Atkinson seconded the motion and it passed unanimously.

## 7. Motions on Matters Discussed in Closed Meeting

Ryan Atkinson motioned to authorize Paul Proctor to sign the HELP stipulation in behalf of the Committee. Kent Bateman seconded the motion and it passed 5 to 1 vote. Franz Amussen opposed the motion.

Kent Bateman motioned that the Committee secure a consultant for the acquisition of PacifiCorp by MidAmerican Energy Holding Company for an amount up to \$130,000. Franz Amussen seconded the motion and it passed unanimously.

Betsy Wolf motioned that the Committee secure a consultant for consolidated tax issues for an amount up to \$55,000. Franz Amussen seconded the motion and it passed unanimously.

Ryan Atkinson motioned that the Committee secure a consultant for the Gas RFP for an amount up to \$75,000. Franz Amussen seconded the motion and it passed unanimously.

## 8. Other Business

Franz Amussen proposed that the meeting adjourn, and the meeting ended at 1:45 p.m.